

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



ADMINISTRATIVE NON-STANDARD LOCATION

Melissa Guidry
melissa_guidry@oxy.com

Administrative Order NSL – 9325

OXY USA INC. [OGRID 16696]
Top Spot 12 13 Federal Com Well No. 41H
API No. 30-015-56988

Reference is made to your application received on April 7th, 2026.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	215 FSL & 1580 FWL	N	13	22S	31E	Eddy
First Take Point	100 FSL & 1530 FWL	N	13	22S	31E	Eddy
Last Take Point	100 FNL & 1530 FWL	C	12	22S	31E	Eddy
Terminus	20 FNL & 1530 FWL	C	12	22S	31E	Eddy

Proposed Horizontal Spacing Unit

Description	Acres	Pool	Pool Code
E/2 W/2 Section 13	320	Bilbrey Basin; Bone Spring	5695
E/2 W/2 Section 12			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator dedicate a horizontal well at a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

1220 South St. Francis Drive, 3rd Floor • Santa Fe, New Mexico 87505
Phone (505) 476-3441 • www.emnrd.state.nm.us/oed

Administrative Order NSL – 9325
OXY USA INC.
Page 2 of 2

19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 100 feet for a well within the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well’s completed interval is as close as 210 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 13, encroachment to the W/2 W/2
Section 12, encroachment to the W/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

It is understood that the request for a non-standard location is to allow efficient spacing of horizontal wells within the Bonespring formation and prevent waste underlying the E/2 W/2 Section 13 and E/2 W/2 Section 12.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as the Division deems necessary.

Albert Chang

Albert C.S. Chang
Division Director
AC/lrl

Date: 5-18-26

Revised March 23, 2017

ID NO. 572433

NSL - 9325

RECEIVED: 04/07/26	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC **OGRID Number:** 16696
Well Name: TOP SPOT 12_13 FEDERAL 41H **API:** 30-015-56988
Pool: BILBREY BASIN; BONE SPRING **Pool Code:** 5695

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Melissa Guidry

Print or Type Name

Melissa Guidry

Signature

04/07/26
Date

713-497-2481
Phone Number

melissa_guidry@oxy.com
e-mail Address



OXY USA Inc

5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

April 7, 2026

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Leonard Lowe

Re: ***Application for Administrative Approval of Non-Standard Location
Top Spot 12_13 Federal 41H, API 30-015-56988 – Bilbrey Basin; Bone Spring
Surface – 215' FSL 1580' FWL Unit N, Sec 13 T22S R31E
First Take Point – 100' FSL 1530' FWL Unit N, Sec 13 T22S R31E
Last Take Point – 100' FNL 1530' FWL Unit C, Sec 12 T22S R31E
Bottom Hole – 20' FNL 1530' FWL Unit C, Sec 12 T22S R31E
Eddy County, New Mexico***

Dear Mr. Lowe,

OXY USA Inc. respectfully requests administrative approval of a non-standard location for the Top Spot 12_13 Federal 41H well. The #41H well is proposed to be completed in the Bilbrey Basin; Bone Spring pool. This will be a horizontal well in a pool with no special rules for setback, so the setback requirements under Rule 19.15.15.9 (A) and 19.15.16.15 (B) will apply. The proposed producing interval is projected as follows:

Surface – 215' FSL 1580' FWL Unit N, Sec 13 T22S R31E
First Take Point – 100' FSL 1530' FWL Unit N, Sec 13 T22S R31E
Last Take Point – 100' FNL 1530' FWL Unit C, Sec 12 T22S R31E
Bottom Hole – 20' FNL 1530' FWL Unit C, Sec 12 T22S R31E

The adjoining units which the completed interval, unorthodox location, encroaches are located to the East in T24S R35E:

Section 12 - Units D, E, L and M
Section 13 - Units D, E, L and M

Approval of the unorthodox location will allow for efficient spacing of horizontal wells in the Bone Spring formation and thereby prevent waste.

To support this request, the following information has been submitted for your review:

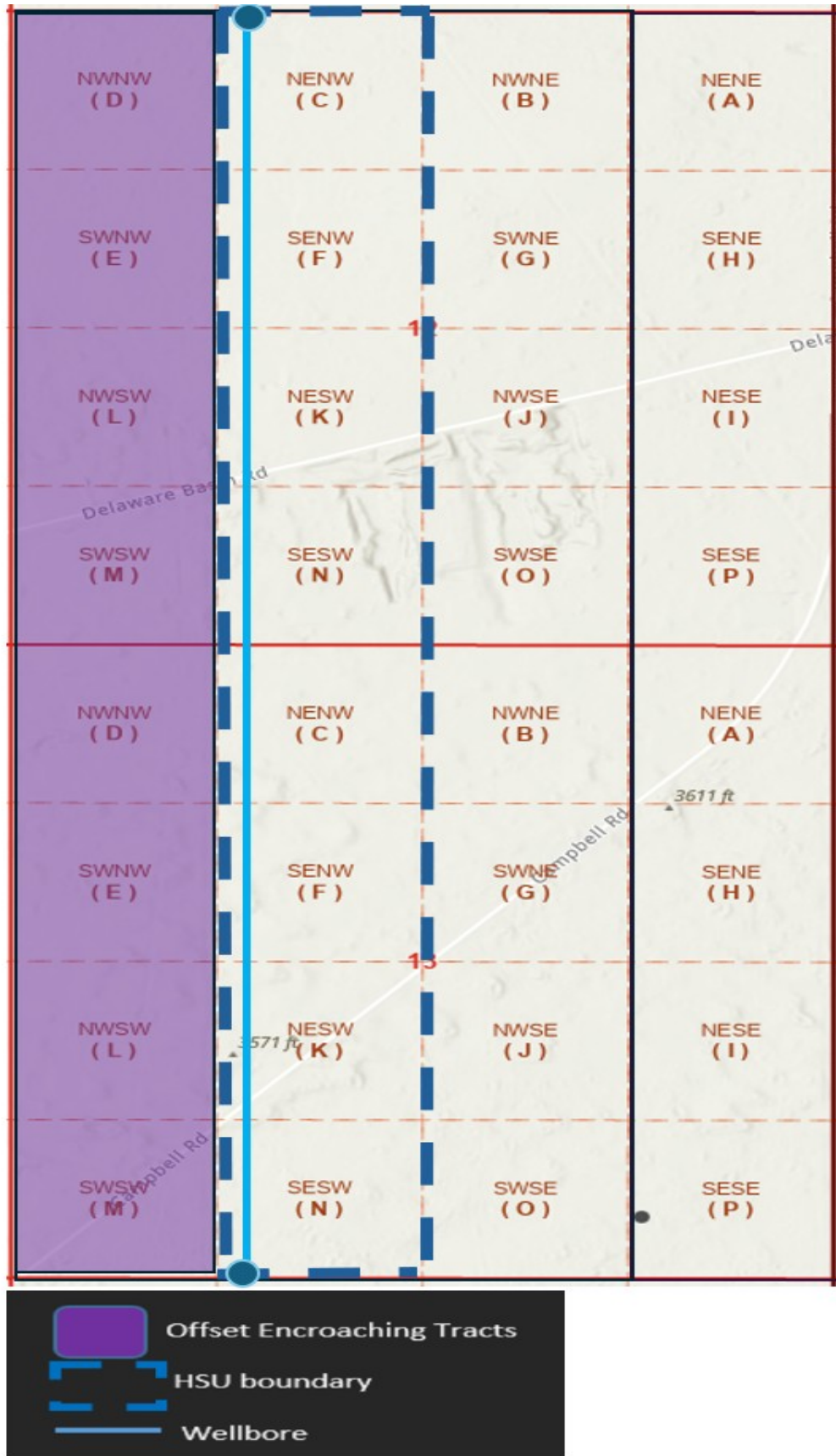
1. C-102 Plat for the proposed well
2. List of affected offset parties in each adjoining spacing unit in the same pool or formation located closer to the unorthodox well location than the minimum distance prescribed by applicable rule or order, copies of the signed certified return receipts will be furnished upon request
3. Statement from Oxy Development Area Engineer

Sincerely,

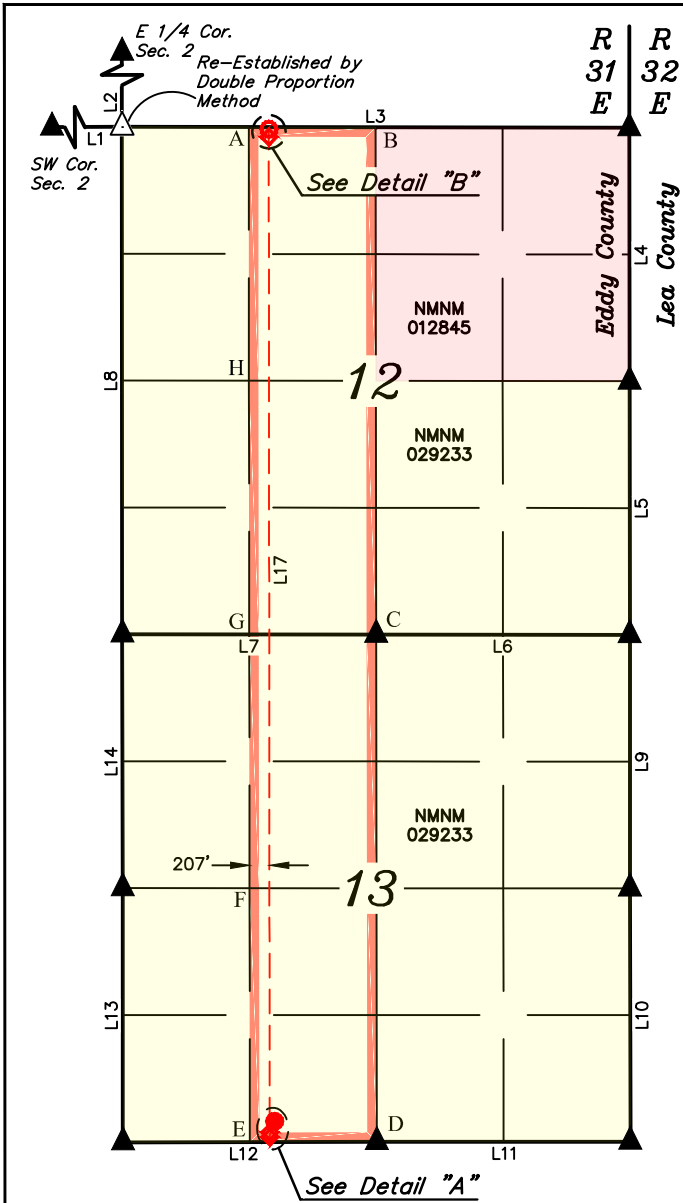
Melissa Guidry

Melissa Guidry
Sr. Regulatory Advisor
Melissa.Guidry@oxy.com

OXY USA Inc.
Top Spot 12_13 Federal 41H
Section 13, Township 22 South, Range 31 East, N.M.P.M.
Eddy, New Mexico

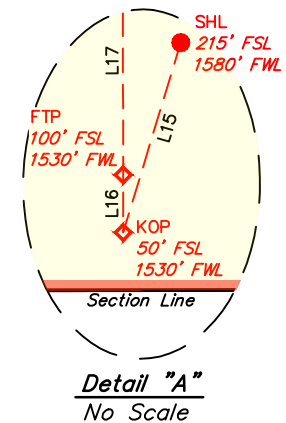
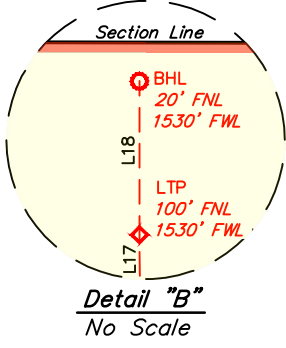


Property Name TOP SPOT 12_13 FED	Well Number 41H	Drawn By L.M.W. 11-01-22	Revised By REV. 6 T.I.R. 09-22-25 (WELLBORE & WELL NAME UPDATES)
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- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/FIRST TAKE POINT/LAST TAKE POINT
- ◇ = LEASE CROSSING
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = HORIZONTAL SPACING UNIT

POINT	HSU COORDINATES		HSU COORDINATES	
	NAD 27 N.M. STATE PLANE, EAST ZONE	NAD 83 N.M. STATE PLANE, EAST ZONE	NAD 27 N.M. STATE PLANE, EAST ZONE	NAD 83 N.M. STATE PLANE, EAST ZONE
A	514543.93'	684556.74'	514604.62'	725738.78'
B	514547.09'	685877.72'	514607.78'	727059.77'
C	509266.21'	685905.18'	509326.77'	727087.38'
D	503984.61'	685934.52'	504045.03'	727116.88'
E	503976.14'	684612.04'	504036.56'	725794.39'
F	506621.00'	684598.83'	506681.49'	725781.10'
G	509261.78'	684583.78'	509322.34'	725765.98'
H	511903.05'	684570.26'	511963.67'	725752.38'



LINE	DIRECTION	LENGTH
L1	S89°48'38"W	5283.00'
L2	N00°05'15"W	2642.31'
L3	N89°53'45"W	5284.97'
L4	N00°02'49"W	2638.99'
L5	N00°04'00"W	2641.40'
L6	N89°55'57"W	2642.34'
L7	N89°57'03"W	2643.31'
L8	N00°02'58"W	5284.61'
L9	N00°03'46"W	2640.91'
L10	N00°04'43"W	2638.22'
L11	S89°59'17"W	2641.57'
L12	S89°52'27"W	2645.53'
L13	N00°00'53"W	2649.62'
L14	N00°05'42"W	2641.26'
L15	S16°52'02"W	172.23'
L16	N00°00'53"W	50.00'
L17	N00°03'09"W	10369.34'
L18	N00°02'58"W	80.00'

- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Colored areas within section lines represent Federal oil & gas leases.

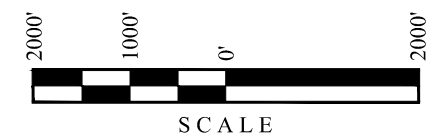
NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°23'05.42" (32.384840°)
LONGITUDE = -103°44'05.83" (-103.734953°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°23'04.98" (32.384717°)
LONGITUDE = -103°44'04.07" (-103.734465°)
STATE PLANE NAD 83 (N.M. EAST)
N: 504252.87' E: 726050.63'
STATE PLANE NAD 27 (N.M. EAST)
N: 504192.45' E: 684868.28'

NAD 83 (KICK OFF POINT)
LATITUDE = 32°23'03.79" (32.384387°)
LONGITUDE = -103°44'06.42" (-103.735116°)
NAD 27 (KICK OFF POINT)
LATITUDE = 32°23'03.35" (32.384264°)
LONGITUDE = -103°44'04.66" (-103.734627°)
STATE PLANE NAD 83 (N.M. EAST)
N: 504087.87' E: 726001.36'
STATE PLANE NAD 27 (N.M. EAST)
N: 504027.46' E: 684819.01'

NAD 83 (FIRST TAKE POINT)
LATITUDE = 32°23'04.29" (32.384525°)
LONGITUDE = -103°44'06.42" (-103.735116°)
NAD 27 (FIRST TAKE POINT)
LATITUDE = 32°23'03.85" (32.384402°)
LONGITUDE = -103°44'04.66" (-103.734627°)
STATE PLANE NAD 83 (N.M. EAST)
N: 504137.87' E: 726001.14'
STATE PLANE NAD 27 (N.M. EAST)
N: 504077.45' E: 684818.79'

NAD 83 (LAST TAKE POINT)
LATITUDE = 32°24'46.88" (32.413022°)
LONGITUDE = -103°44'06.36" (-103.735100°)
NAD 27 (LAST TAKE POINT)
LATITUDE = 32°24'46.44" (32.412899°)
LONGITUDE = -103°44'04.60" (-103.734610°)
STATE PLANE NAD 83 (N.M. EAST)
N: 514505.14' E: 725948.01'
STATE PLANE NAD 27 (N.M. EAST)
N: 514444.45' E: 684765.96'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°24'47.67" (32.413242°)
LONGITUDE = -103°44'06.36" (-103.735100°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°24'47.23" (32.413119°)
LONGITUDE = -103°44'04.60" (-103.734610°)
STATE PLANE NAD 83 (N.M. EAST)
N: 514585.13' E: 725947.60'
STATE PLANE NAD 27 (N.M. EAST)
N: 514524.43' E: 684765.56'



Application Non-Standard Location - Service List
OXY USA Inc.
Top Spot Federal Com 41H

Online Submission
 New Mexico Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Certified Mail #_9407111898765525626204
 Bureau of Land Management Carlsbad
 620 E. Greene Street
 Carlsbad, NM 88220-6292

Offset Tracts Section 12 (T22S-R31E) - Units D, E, L, M
Offset Tracts Section 13 (T22S-R31E) - Units D, E, L, M

Type	Affected Party	Date Letter Sent	Mail Tracking #
Working Interest	Charles Andrew Spradlin 304 Summit Ridge Dr. Glen Rose, Texas 76043	04/07/26	9407111898765525627584
Working Interest	The Long Trusts PO Box 3096 Kilgore, Texas 75663	04/07/26	9407111898765525627577
Working Interest	Chisos Ltd 3355 W Alabama Suite 1200 B Houston, Texas 77098	04/07/26	9407111898765525626259
Working Interest	Rockport Oil and Gas LLC PO Box 19567 Houston, Texas 77224-9567	04/07/26	9407111898765525626266
Working Interest	Marshall S. Baker 2711 Wesleyan Street Houston, Texas 77027	04/07/26	9407111898765525626228
Working Interest	CHEVRON USA INC. Attn: Land Department 6301 Deauville Blvd. Midland, Texas 79706	04/07/26	9407111898765525626242

Copies of this application were mailed to the individuals, companies and organizations on or before April 7, 2026.

Melissa Guidry

Melissa Guidry, Sr. Regulatory Advisor
 OXY USA Inc.



OXY USA Inc

5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

April 7, 2026

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Leonard Lowe

Re: ***Application for Administrative Approval of Non-Standard Location – Engineering Justification
Top Spot 12_13 Federal Com 41H, API 30-015-56988 – Bilbrey Basin; Bone Spring
Surface – 215’ FSL 1580’ FWL Unit N, Sec 13 T22S R31E
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Last Take Point – 100’ FNL 1530’ FWL Unit C, Sec 12 T22S R31E
Bottom Hole – 20’ FNL 1530’ FWL Unit C, Sec 12 T22S R31E
Eddy County, New Mexico***

Dear Mr. Lowe,

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Top Spot 12_13 Federal Com 41H well to be drilled within 330’ of the HSU boundary. It is Oxy’s responsibility as a prudent operator to optimize the section’s well spacing and minimize reserves left in the ground. Placing the wells within the setback, allows for the optimal horizontal well spacing that has been determined to maximize the recoverable reserves while minimizing production damage to nearby wells.

Sincerely,

Sushmitha Chakka

Sushmitha Chakka
Development Engineer
Sushmitha_Chakka@oxy.com

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 572433

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 572433
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	4/8/2026